



BİRLEŞİK MAĞAZALAR A.Ş.

RESULTS PRESENTATION

For the 12 months
to 31 December 2017



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Please note that all financial data are prepared based on IFRS accounting.

HEADLINES



HEADLINES FOR 2017



24,8 TL billion
Sales (+23,5% YoY)

Expected net sales
in 2017



1.296 TL million
EBITDA (30% YoY)

Strong EBITDA and
profit margins



609 TL million CAPEX
at 2,5% of sales

Continued
Expansion



824 TL million

Free Cash Generation (27% YoY)



863 TL million

(29 % YoY) Net Income



6.765 total stores

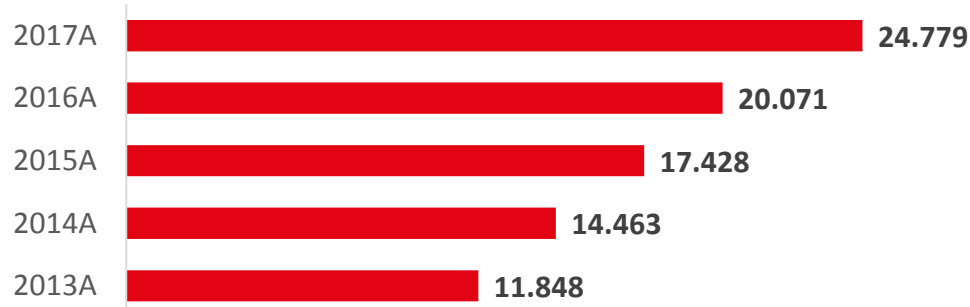
598 new openings in 2017

FIGURES

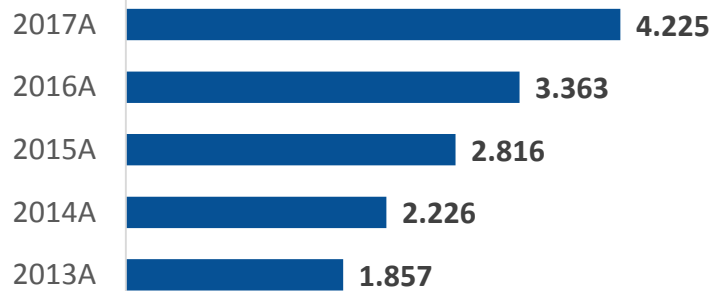


ANNUAL/ QUARTERLY NET SALES AND GROSS PROFIT

Net Sales, Annually (TL million)



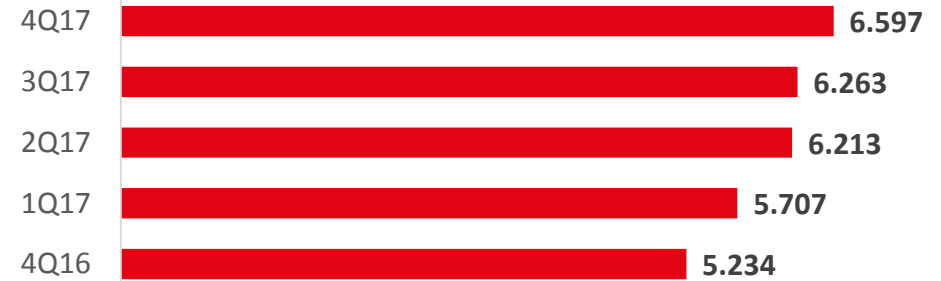
Gross Profit, Annually (TL million)



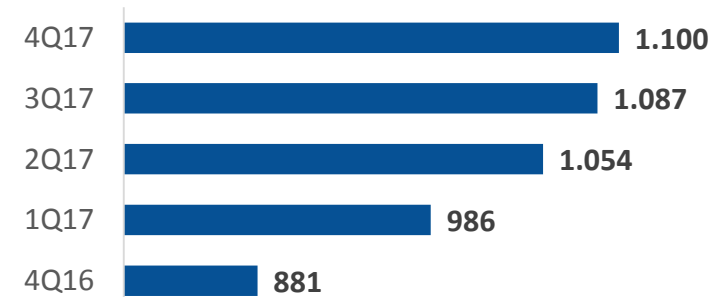
Gross Margin (%)

2013A	2014A	2015A	2016A	2017A
15,7%	15,4%	16,2%	16,8%	17,1%

Net Sales, Quarterly (TL million)



Gross Profit, Quarterly (TL million)



Gross Margin (%)

4Q16	1Q17	2Q17	3Q17	4Q17
16,8%	17,3%	17,0%	17,3%	16,7%

Sales Growth
(YoY)

23,5%

Gross Profit
(YoY)

26%

Sales Growth
(4Q16/4Q17)

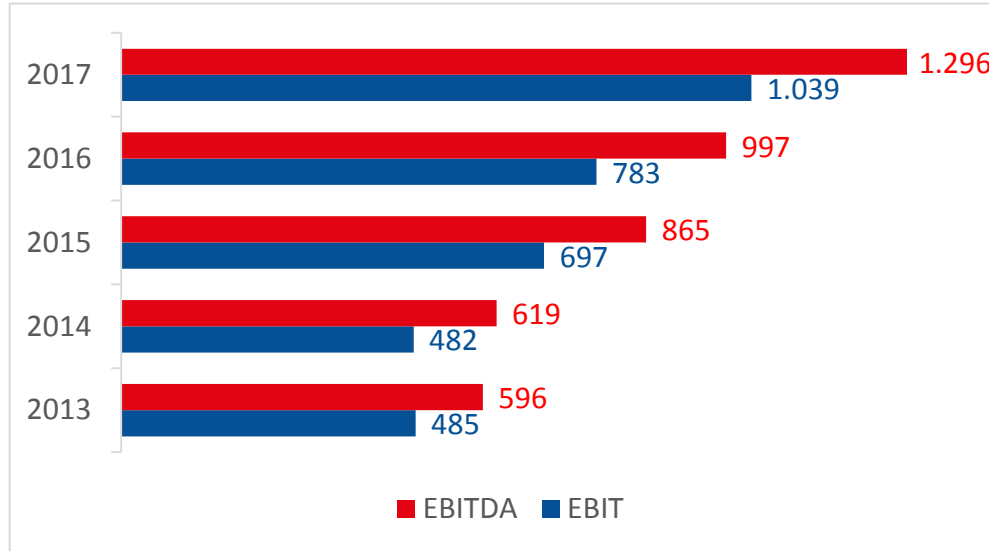
26%

Gross Profit
(4Q16/4Q17)

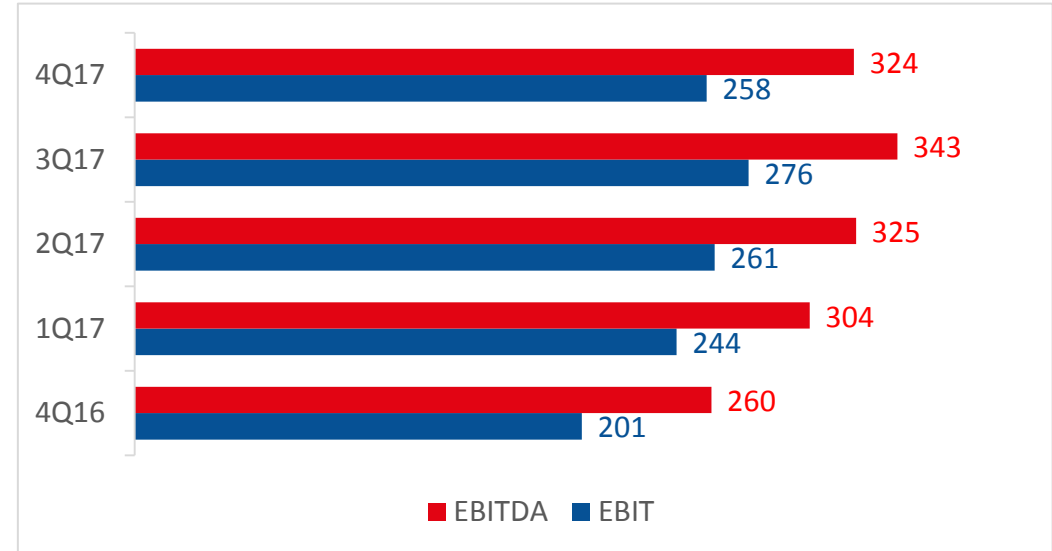
25%

ANNUAL/ QUARTERLY EBITDA AND EBIT

EBITDA and EBIT Annually (TL million)



EBITDA and EBIT Quarterly (TL million)



EBITDA Margin

2013	2014	2015	2016	2017
5,0%	4,3%	5,0%	5,0%	5,2%

EBIT Margin

2013	2014	2015	2016	2017
4,1%	3,3%	4,0%	3,9%	4,2%

EBITDA Margin

4Q16	1Q17	2Q17	3Q17	4Q17
5,0%	5,3%	5,2%	5,5%	4,9%

EBIT Margin

4Q16	1Q17	2Q17	3Q17	4Q17
3,8%	4,3%	4,2%	4,4%	3,9%

EBITDA
(YoY)

30%

EBIT
(YoY)

33%

EBITDA
(4Q16/4Q17)

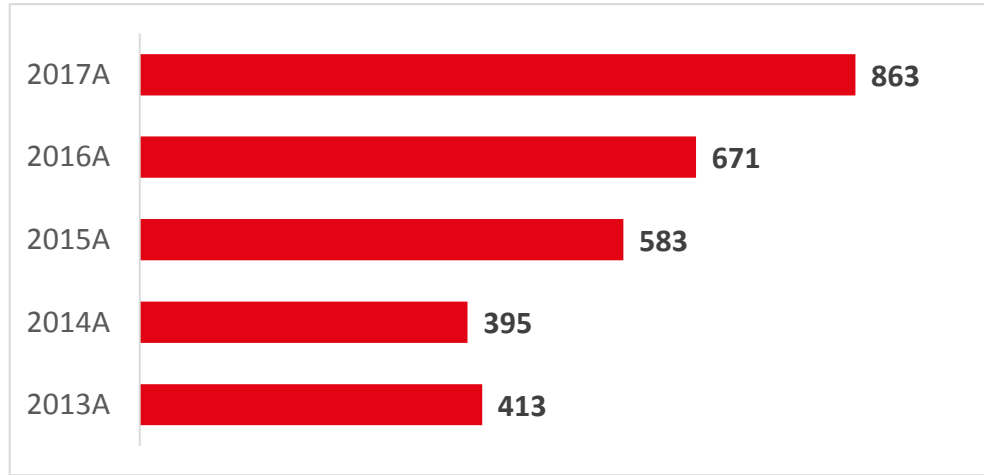
25%

EBIT
(4Q16/4Q17)

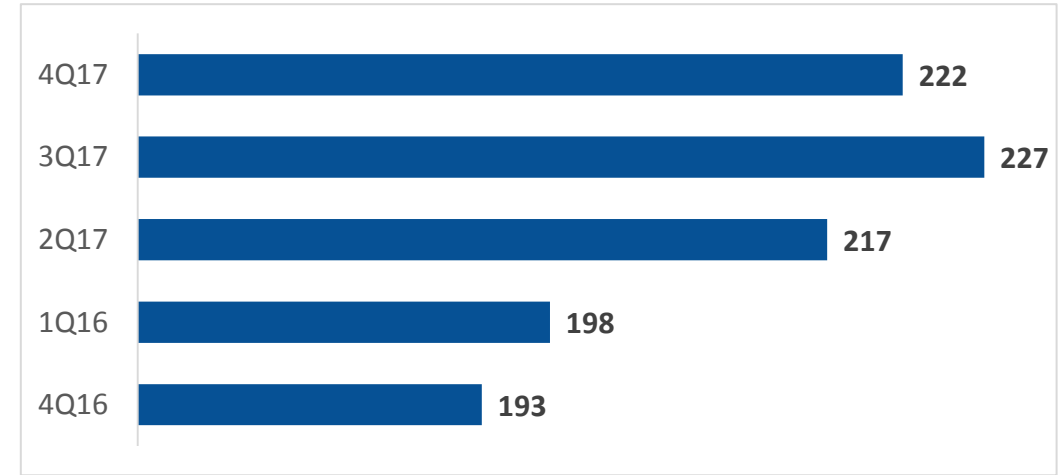
28%

ANNUAL/ QUARTERLY NET INCOME

Net Income, Annually (TL million)



Net Income, Quarterly (TL million)



Net Income Margin

2013	2014	2015	2016	2017
3,5%	2,7%	3,3%	3,3%	3,5%

Net Income Margin

4Q16	1Q17	2Q17	3Q17	4Q17
3,7%	3,5%	3,5%	3,6%	3,4%

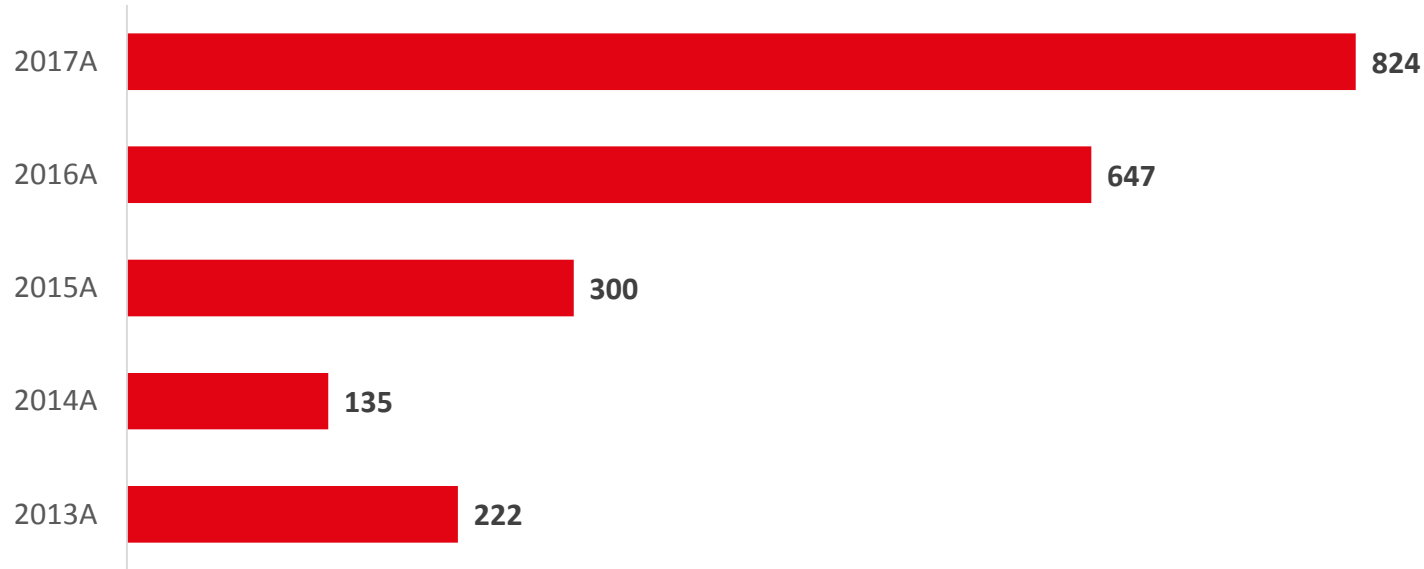
Net Income
Growth (YoY)

29%

Net Income Growth
(4Q16/4Q17)

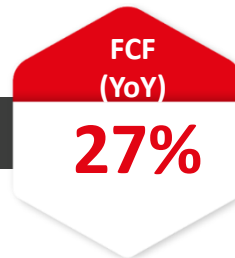
15%

Free Cash Generation, Annually (*) (TL million)



Free Cash Flow % of Sales (%)

2013A	2014A	2015A	2016A	2017A
1,9%	0,9%	1,7%	3,2%	3,3%



LIKE FOR LIKE SALES INCREASE

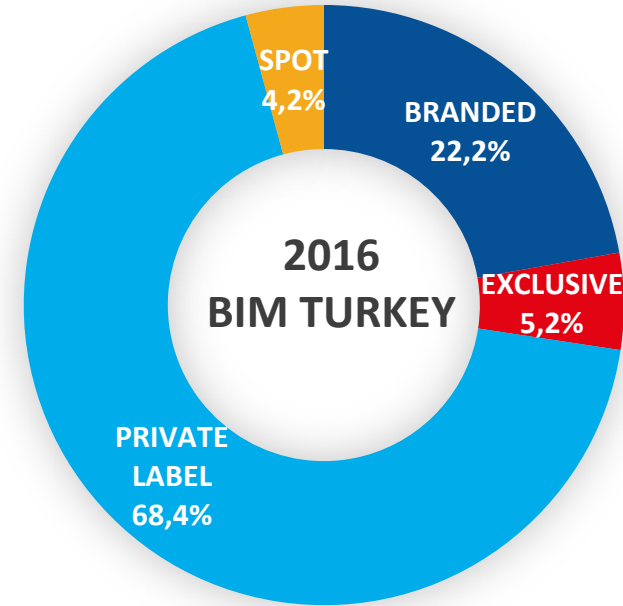
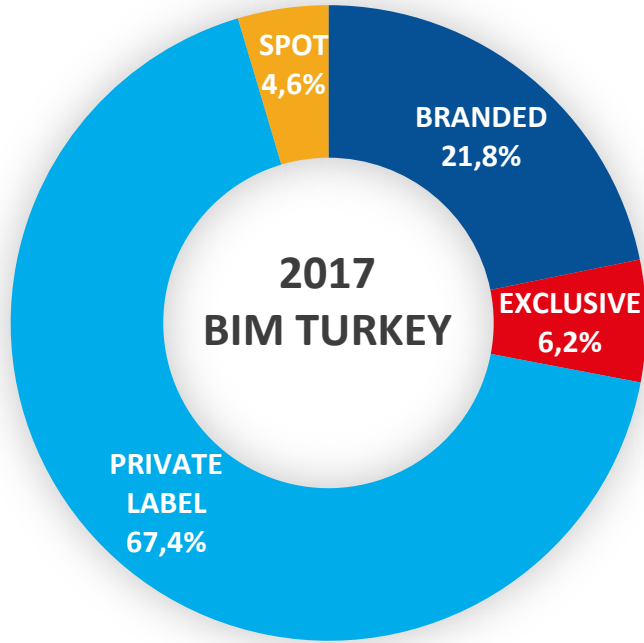
BİM TURKEY

Annual			
	2016A	2017 A	CHANGE
Like-For-Like Sales (per store/per day -TL)	10.165,2	11.561,9	 13,7%
Like-For-Like Basket (TL)	14,77	16,45	 11,4%
Like-For-Like Customer Traffic (Per store/per Day)	688,2	702,7	 2,1%

Quarterly			
	2016 Q4	2017 Q4	CHANGE
Like-For-Like Sales (per store/per day -TL)	10.159	11.804	 16,2%
Like-For-Like Basket (TL)	14,91	16,93	 13,5%
Like-For-Like Customer Traffic (Per store/per Day)	681,3	697,3	 2,3%

Morocco	LFL Growth	0%
Egypt	LFL Growth	13%

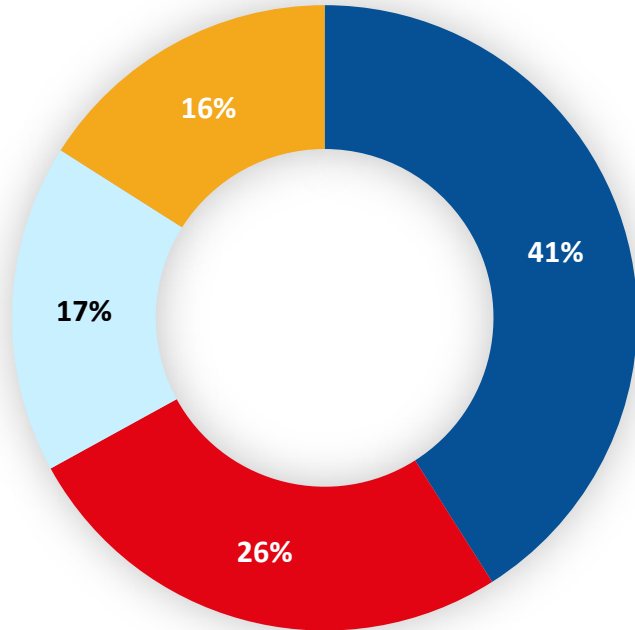
(*)Note: calculated on the basis of net sales generated in 4Q16 and 4Q17 by stores operating on 31 Dec 2015 and that were still open on 31 Dec 2017 (4.827 stores)



Total Number of Products (SKU)	
BİM Format	~700
FILE Format	~4.000 – 4.500

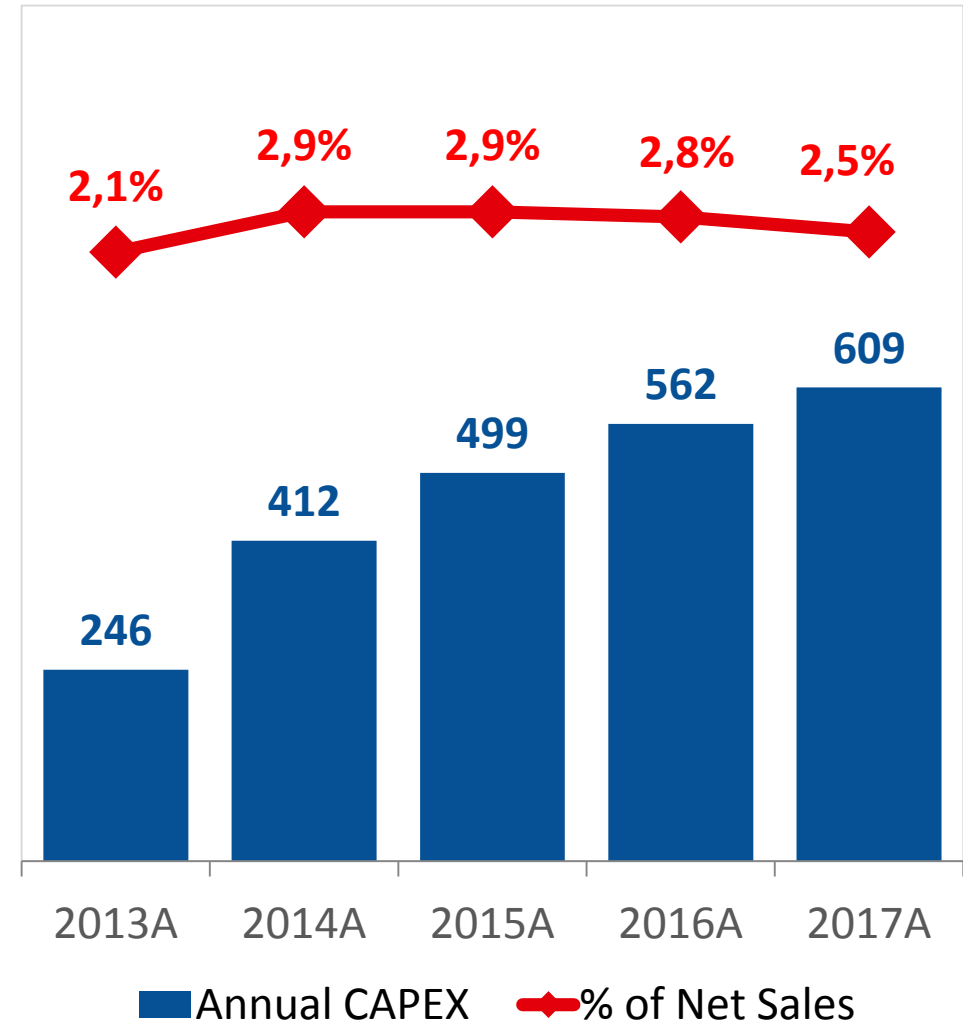
Other Operations PL Share in Sales	
Morocco	29%
Egypt	10%
FILE	35%

2017 CAPEX Breakdown



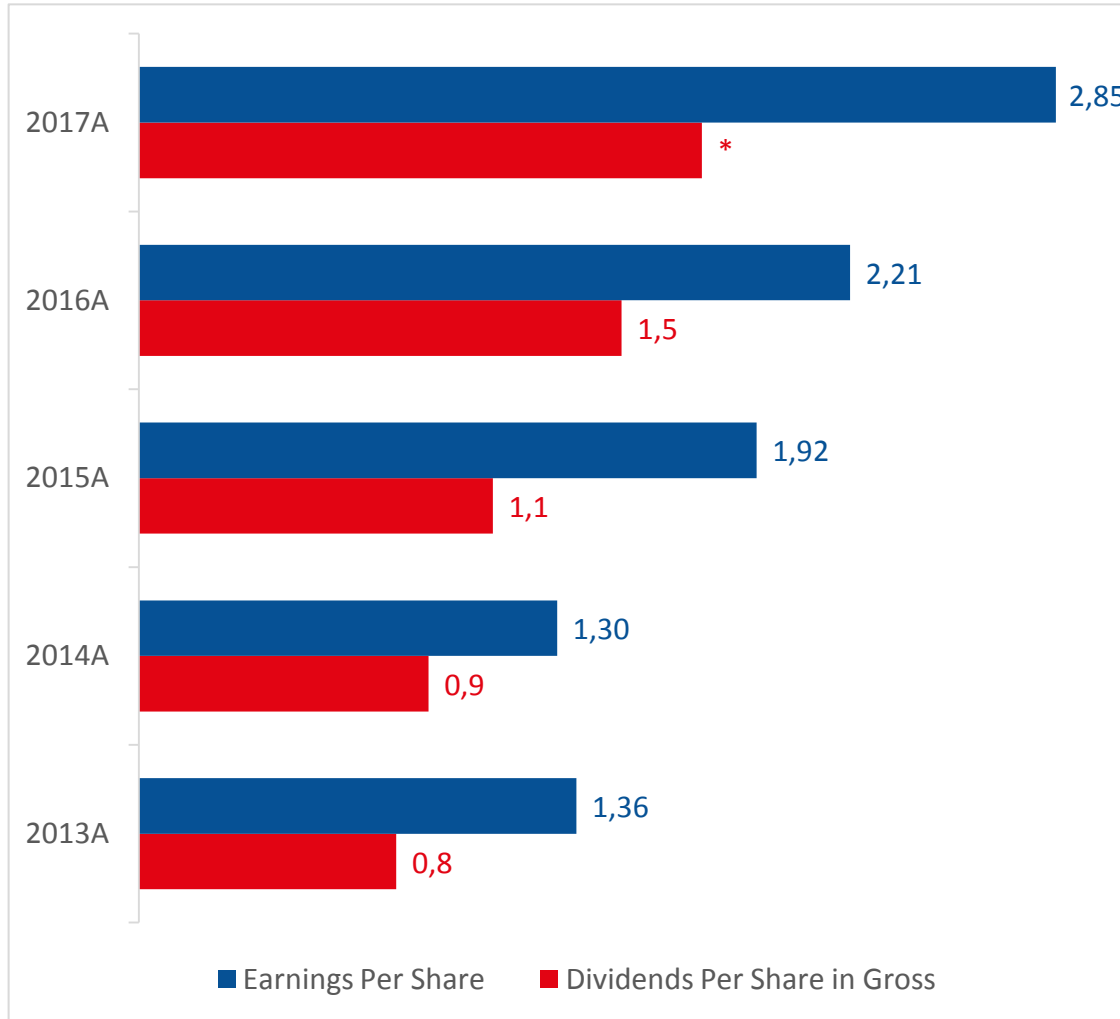
- New Store Openings
- New Warehouse & Land Acquisitions
- Store Maintenance
- Warehouse Maintenance

Annual Capex (ml TL) & % of Net Sales



EARNINGS AND DIVIDEND

Earnings Per Share & Dividends Per Share in Gross (TL)



Dividend Payout Ratio (%)



Dividend Yield (%)

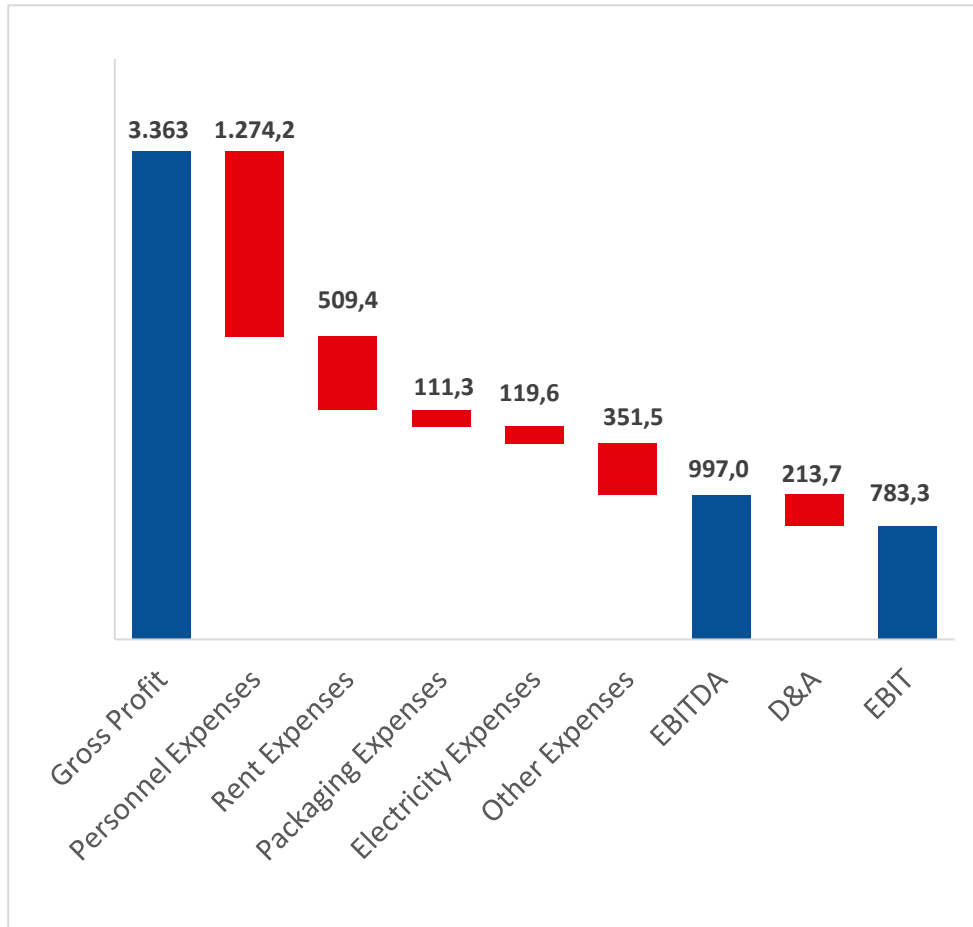


Note 1: The per share figure for 2013, 2014, 2015, 2016 and 2017 is based on 303.600.000 shares.

Note 2: (*) The Company did not take any decision yet about dividend payment from 2017 profit

EFFICIENT USE OF OPERATING LEVERAGE and COST CONTROL

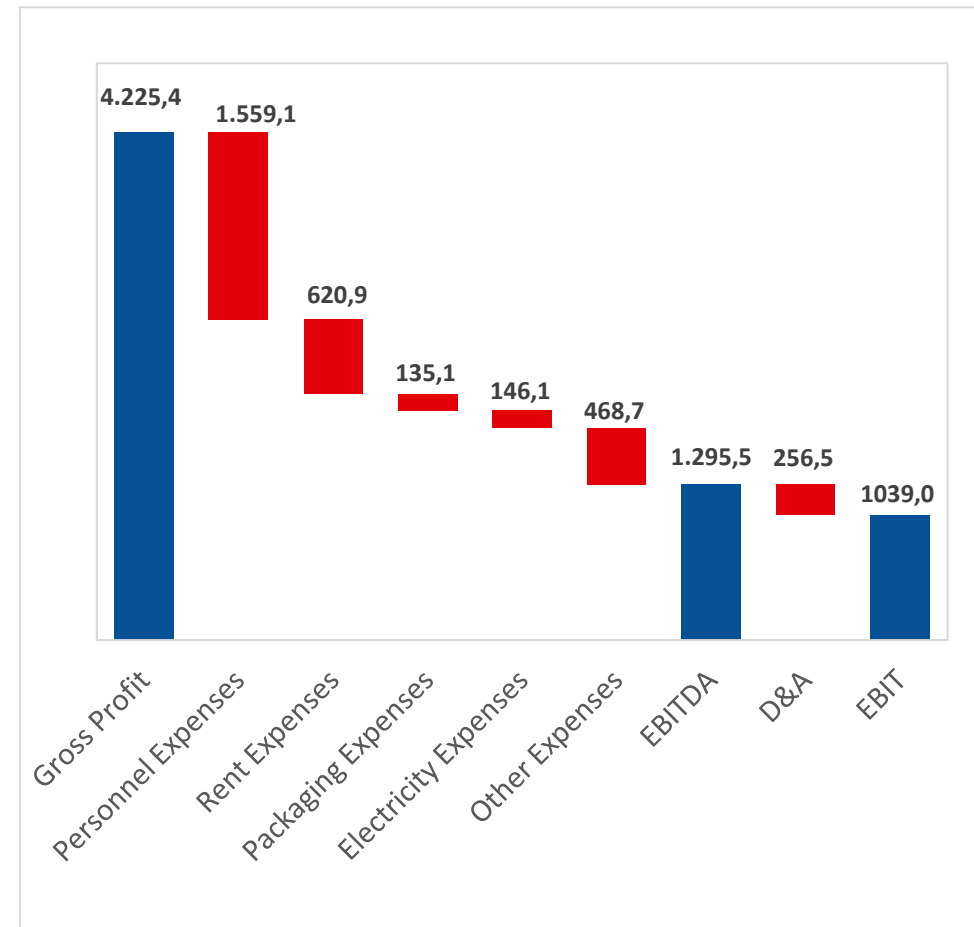
2016 SG&A Analysis, TL million



% of Sales



2017 SG&A Analysis, TL million

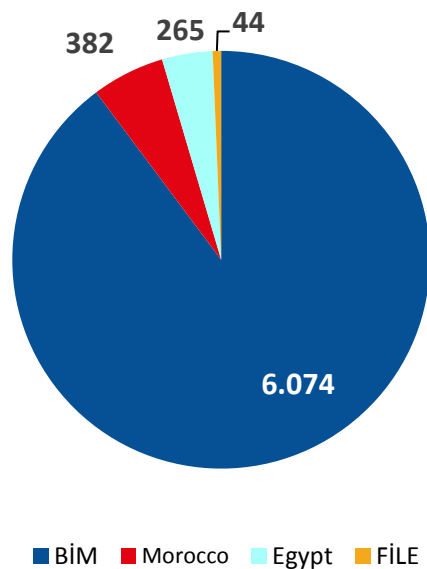
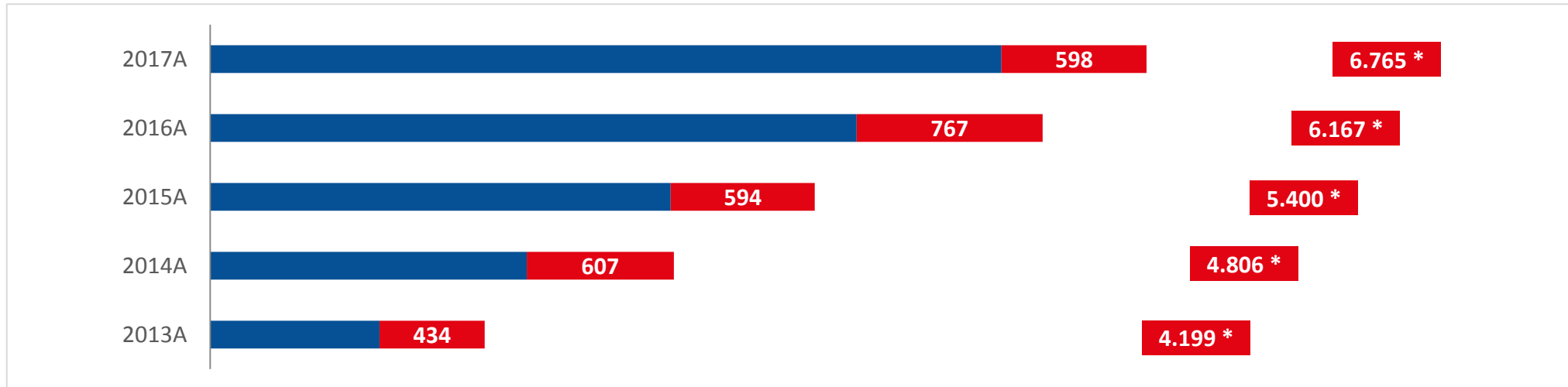


% of Sales

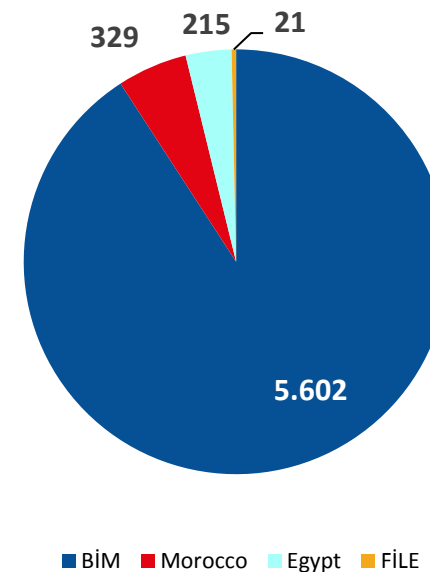


STRONG STORE GROWTH CONTINUES

Total Number of Consolidated Stores



Stores by Formats 2017 - 2016



Note (*): Total number of consolidated stores.

FOREIGN OPERATIONS & FILE HIGHLIGHTS

MOROCCO

- **53 Stores** opened in 2017, by 31 December 2017 **we have 382 stores** to date
- Our target is to open **60 new stores** in 2018
- Positive EBITDA and cash generation expected in 2018

EGYPT

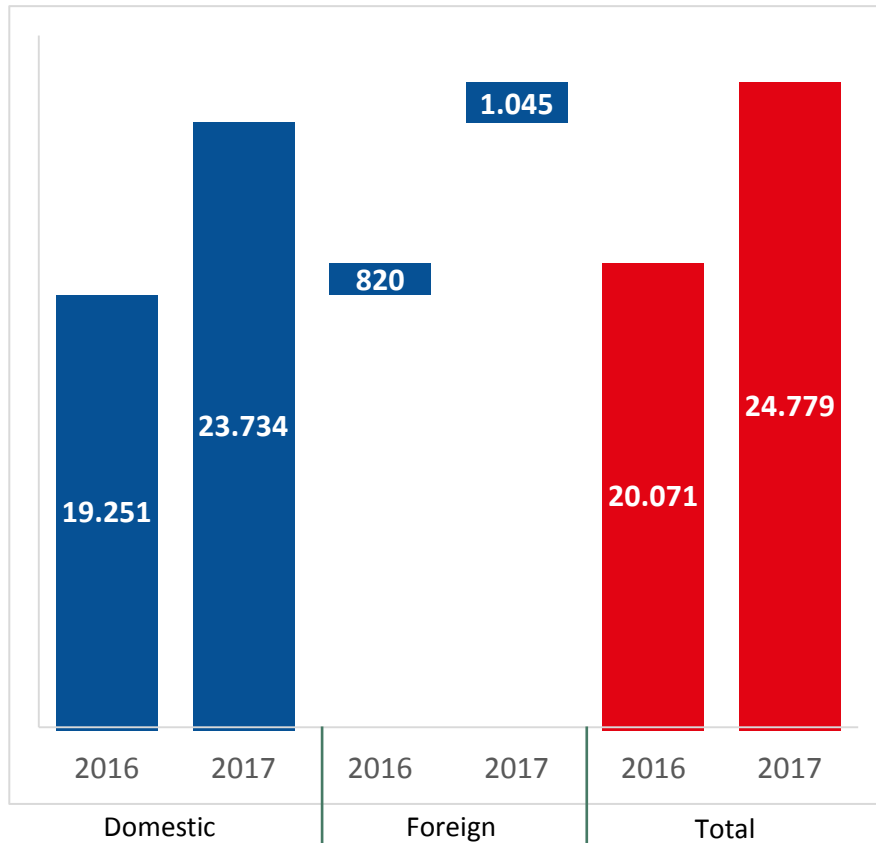
- **50 stores** opened in 2017, by 31 December 2017 **we had 265 stores**
- Focus on store efficiency and planning to open 40 new stores in 2018

FILE

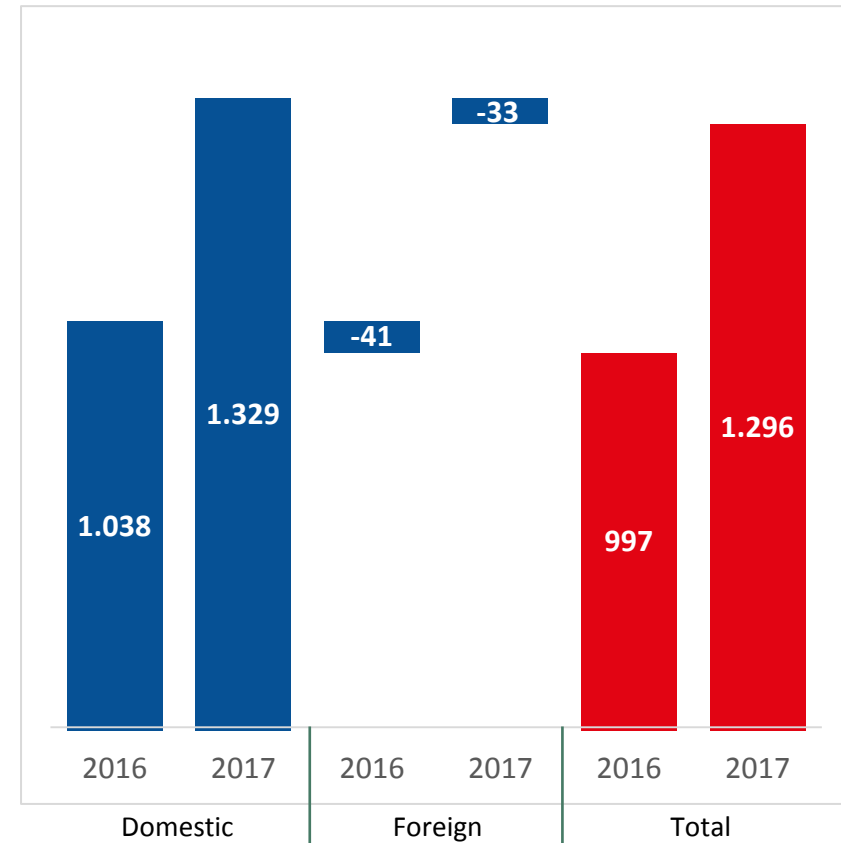
- **44 stores** as of 2017 (23 opened in 2017)
- Store openings underway in new cities, including Bursa, İzmit, Sakarya and Zonguldak
- **30 new stores** targeted in 2018

FOREIGN OPERATIONS - CONTRIBUTIONS

**Contribution to Consolidated Sales
2016-2017, TL million**



**Contribution to Consolidated EBITDA
2016-2017, TL million**

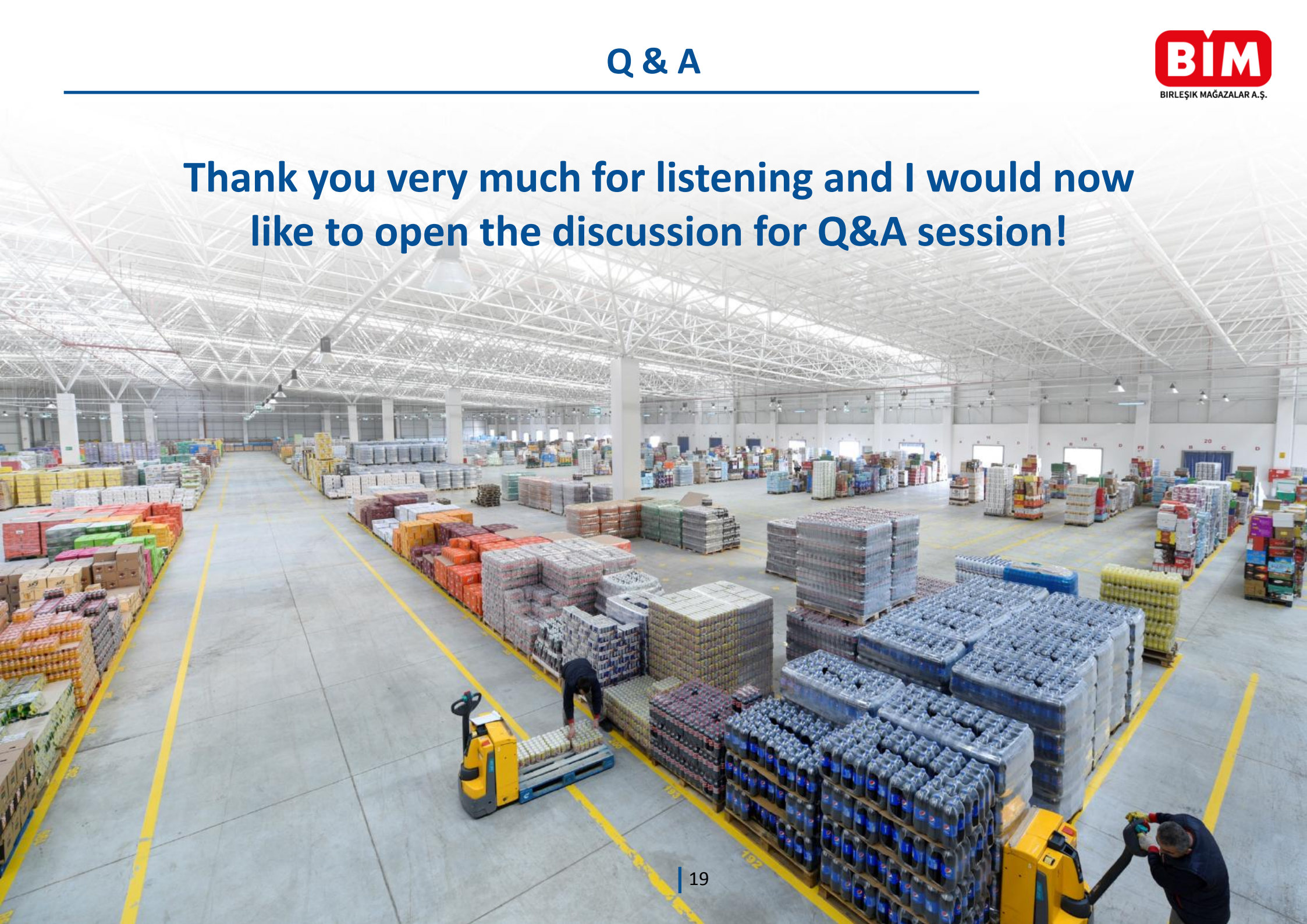


TARGETS vs ACTUAL and LOOKING AHEAD to 2018

	2017 TARGET	2017 ACTUAL		2018 TARGET
SALES GROWTH (%)	20% to 23%(*)	23,5%	✓	20%+
EBITDA MARGIN (%)	5,0% (+-50 bps)	5,2	✓	5,0% (+-50 bps)
CAPEX mil TL	~ 500	609	✓	~750
CONSOLIDATED NEW STORE OPENINGS	~ 635	598	✓	~730
<i>BİM Turkey</i>	~500	472		~600
<i>Morocco</i>	~60	53		~60
<i>Egypt</i>	~50	50		~40
<i>File</i>	~25	23		~30

(*)We have revised our 2017 sales growth target mid year from 15% - 18% to 20% - 23% .

Thank you very much for listening and I would now like to open the discussion for Q&A session!



IFRS Financials



IFRS INCOME STATEMENT

TL million	3 months ended 31 December			12 months ended 31 December		
	2016	2017	Change	2016	2017	Change
Net Sales	5.233,7	6.597,1	26,1%	20.071,7	24.779,4	23,5%
(COGS)	(4.352,9)	(5.497,5)	26,3%	(16.708,7)	(20.554,0)	23,0%
Gross Profit	880,8	1.099,6	24,8%	3.363,0	4.225,4	25,6%
Total SG&A	(621,2)	(775,9)	24,9%	(2.366,0)	(2.929,9)	23,8%
EBITDA	259,6	323,7	24,7%	997,0	1.295,5	29,9%
D&A	(58,3)	(66,1)	13,4%	(213,7)	(256,5)	20,0%
EBIT	201,3	257,6	27,9%	783,3	1.039,0	32,6%
Net financial income/(expenses)	31,7	12,7	-59,9%	39,8	34,7	-12,8%
Other income/(expenses)	8,3	8,7	6,0%	26,1	22,2	-14,9%
PBT	241,3	279,0	15,6%	849,2	1.095,9	29,1%
Taxes	(48,1)	(57,4)	19,3%	(178,3)	(232,9)	30,6%
Net income	193,2	221,6	14,7%	670,9	863,0	28,6%

IFRS BALANCE SHEET

TL million	As at 31 December	
	2016	2017
Intangible assets	7,4	13,2
Tangible assets	2.090,8	3.057,7
Financial Investments (long term)	193,4	309,7
Other non-current assets	42,9	42,5
Total fixed assets	2.334,5	3.423,1
Trades receivable	645,5	877,4
Inventories	1.119,0	1.456,2
Prepayment and other assets	311,7	288,5
Trades payable	(2.625,2)	(3.376,6)
Other payable and accrued liabilities	(342,6)	(454,2)
Net working capital	(891,6)	(1.208,7)
Invested Capital	1.442,9	2.214,4
Cash & cash equivalents	(578,4)	(980,4)
Short term borrowings	0,0	0,0
Net debt/(cash)	(578,4)	(980,4)
Severance funds	77,7	99,1
Deferred tax liabilities	42,4	137,8
Shareholders' equity	1.901,2	2.957,9
Capital Employed	1.442,9	2.214,4

IFRS CASH FLOW

TL million	3 months ended 31 December		12 months ended 31 December	
	2016	2017	2016	2017
Net Income	193,2	221,6	670,9	863,0
D&A	58,3	66,1	213,7	256,5
Non cash tax expense	48,1	57,4	178,3	232,9
Other non-cash items	(3,6)	(49,7)	28,2	16,1
Funds from operations	296,0	295,4	1.091,0	1.368,5
Change in net working capital	19,8	105,5	277,3	278,2
Tax & other payments	(47,2)	(62,3)	(183,1)	(236,2)
Operating cash flow	268,6	338,6	1.185,2	1.410,5
Capital expenditures	(136,3)	(159,9)	(562,4)	(608,6)
Proceeds from sales of PPE	5,6	8,6	18,0	19,0
Dividends From Investments	3,3	0,0	6,7	3,0
Cash flow from investing activities	(127,4)	(151,3)	(537,7)	(586,6)
Free cash flow	141,2	187,3	647,5	823,9
Dividends	(151,3)	(181,5)	(333,5)	(453,6)
Proceeds from ST borrowings	(23,4)	0,0	(20,3)	0,0
Treasury Shares Purchase & Sale, Net	(31,8)	0,0	(61,1)	0,0
Profit share received from deposits account	7,5	6,9	19,7	33,6
Cash flow from financing activity	(199,0)	(174,6)	(395,2)	(420,0)
Currency translation differences	(19,3)	(3,8)	(22,4)	(7,9)
Increase/(decrease) in cash	(77,1)	8,9	229,9	396,0